

Senate Bill No. 809

CHAPTER 672

An act to add Section 8169.6 to the Government Code, relating to state public works.

[Approved by Governor October 9, 2001. Filed with
Secretary of State October 10, 2001.]

LEGISLATIVE COUNSEL'S DIGEST

SB 809, Ortiz. State public works: Sacramento: Capitol area.

Existing law establishes the Capitol Area Plan for the orderly development of the state's facilities in the greater metropolitan Sacramento area. The Department of General Services is required to be continuously responsible for necessary revisions to the plan and for formulating and carrying out long-range development plans. Resolution Chapter 193 of the Statutes of 1996 directs the department to undertake and complete a comprehensive environmental impact report governing the development of state offices and associated facilities on priority state-owned sites in the Capitol area, as defined.

This bill would authorize the Director of General Services to purchase, exchange, or otherwise acquire real property and construct facilities within the jurisdiction of the Capitol Area Plan for a project consisting of approximately 1,400,000 gross square feet of office space on state-owned land in the Capitol area located on blocks 204 and 203, and onsite parking and a parking garage located on block 266. The bill would authorize the department to contract for the lease, lease-purchase, lease with an option to purchase, acquisition, design, design-build, construction, construction management, and other services related to the design and construction of the office and parking facilities. The bill would authorize the State Public Works Board to issue revenue bonds, negotiable notes, or negotiable bond anticipation notes to finance these costs. The bill would also provide that the project cost shall include the cost of rehabilitating, and may include the cost of relocating the Heilbron House.

The people of the State of California do enact as follows:

SECTION 1. Section 8169.6 is added to the Government Code, to read:

8169.6. (a) In furtherance of the Capitol Area Plan, the objectives of Resolution Chapter 131 of the Statutes of 1991, and the legislative

findings and declarations contained in Chapter 193 of the Statutes of 1996, relative to the findings by the Urban Land Institute, the director may purchase, exchange, or otherwise acquire real property and construct facilities, including any improvements, betterments, and related facilities, within the jurisdiction of the Capitol Area Plan in the City of Sacramento pursuant to this section. The total authorized scope of the project shall consist of approximately 1,400,000 gross square feet of office space on state-owned land in the Capitol area in downtown Sacramento on Block 204 (bounded by 7th, 8th, O, and P Streets) or Block 203 (bounded by 7th, 8th, N, and O Streets, or both of those blocks). The project will include associated parking onsite and in a parking garage to be constructed on Block 266 (bounded by 8th, 9th, Q, and R Streets). The project cost shall include the cost of rehabilitation of the Heilbron House currently located on Block 204, and the project cost may include the cost of relocation of the Heilbron House.

(b) (1) The department may contract for the lease, lease-purchase, lease with an option to purchase, acquisition, design, design-build, construction, construction management, and other services related to the design and construction of the office and parking facilities. The State Public Works Board may issue revenue bonds, negotiable notes, or negotiable bond anticipation notes pursuant to Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 to finance all costs associated with the acquisition, design, and construction of office and parking facilities for the purposes of this section. The State Public Works Board and the department may borrow funds for project costs from the Pooled Money Investment Account pursuant to Sections 16312 and 16313. In the event the bonds authorized by the project are not sold, the tenant state agencies identified for the building, as determined by the Department of Finance, shall commit a sufficient amount of their support appropriations to repay any loans made for the project from the Pooled Money Investment Account. It is the intent of the Legislature that this commitment shall be included in future Budget Acts until all outstanding loans from the Pooled Money Investment Account are repaid either through the proceeds from the sale of bonds or from an appropriation.

(2) The amount of revenue bonds, negotiable notes, or negotiable bond anticipation notes to be sold may equal, but shall not exceed, the cost of planning, preliminary plans, working drawings, construction, construction management and supervision, other costs relating to the design and construction of the facilities, and any additional sums necessary to pay interim and permanent financing costs. The additional amount may include interest and a reasonable required reserve fund.



(3) Authorized costs of the facilities for preliminary plans, working drawings, demolition, construction, and other costs shall not exceed three hundred ninety-one million dollars (\$391,000,000). Notwithstanding Section 13332.11, the State Public Works Board may authorize the augmentation of the amount authorized under this paragraph by up to 10 percent of the amount authorized.

(4) The net present value of the cost to acquire and operate the facilities authorized by subdivision (a) may not exceed the net present value of the cost to lease and operate an equivalent amount of comparable consolidated office space over the same time period. The department shall perform this analysis and shall obtain interest rates, discount rates, and Consumer Price Index figures from the Treasurer. For purposes of this analysis, the department shall compare the cost of acquiring and operating the proposed facilities with the avoided cost of leasing and operating an equivalent amount of comparable consolidated office space that would no longer need to be leased.

(5) The director may execute and deliver a contract with the State Public Works Board for the lease of the facilities described in this section that are financed with the proceeds of the board's bonds, notes, or bond anticipation notes issued in accordance with this section.

